COLUMBIA LIBRARIES OFFSITE
AVERY FINE ARTS RESTRICTED
AR01517945

Malamud

CHELSEA: A DECADE OF CHANGE

CHELSEA AREA BOARD
LOWER WEST SIDE COMMUNITY CORPORATION

OCTOBER, 1969

Avery Architectural and Fine Arts Library
Gift of Seymour B. Durst Old York Library

CHELSEA: A DECADE OF CHANGE

A Report on Changes in Chelsea's Housing

Over the Past Ten Years

and

A Program for the Future

Prepared by

Abeles, Schwartz and Associates
10 Kenmare Street
New York, New York 10012

for the

Chelsea Area Board
of the
Lower West Side Community Corporation
228 Eighth Avenue
New York, New York 10011

October 1969

offsite
HD
7304
.N5
A24
1969g

ACKNOWLEDGMENTS

A great many people and groups contributed to this study. The consultants would like to gratefully acknowledge the help and interest of Tito Morales, former director of the Chelsea Action Center, Sherman Crawford and Thomas Flamer, Jr. of the Action Center staff and Fred Norton, the present acting director. Jane Wood of the Chelsea Save Our Homes Committee and Leona Finestone, director of the Chelsea Conservation Program, supplied us with a great deal of useful background information. Raymond Guenter, Chelsea's Democratic District Leader, offered a great deal deal of insight into Chelsea's problems and offered useful suggestions. In studying the housing changes in Chelsea, we were also given invaluable assistance by Marvin Lutenberg, the Department of Buildings statistician.

Digitized by the Internet Archive
in 2014

https://archive.org/details/chelseadecadeofc00abel

TABLE OF CONTENTS

CHAPTER		PAGE
I	INTRODUCTION	1
II	CHARACTERISTICS PRIOR TO NEIGHBORHOOD CONSERVATION	2
	The People	2
	The Housing Stock	4
III	THE ADVENT OF NEIGHBORHOOD CONSERVATION AND OTHER FACTORS THAT HAVE AFFECTED CHELSEA	10
	The Origins of Neighborhood Conservation	10
	Goals of Conservation	11
	Accomplishments of Conservation . . .	11
	Other Factors	12
IV	HOW CHELSEA HAS CHANGED	14
	The Housing Stock	14
	The People	23
V	RECOMMENDATIONS AND POSSIBLE SOLUTIONS	30
	Code Enforcement	30
	Anti-Harassment Statutes	31
	Government-Assisted Moderate Cost Rehabilitation	32
	Vest Pocket Public Housing	34
	Long Range Development	37
VI	CONCLUSION	39

TABLES AND MAPS

TABLES		PAGE
I	General Population Data: 1960	3
II	Rooming House Type Units and One-Room Apartments in Chelsea Sub-Area, 1960	6
III	Rooming House Type Units in the Chelsea Sub-Area, May, 1969 . . .	6
IV	Housing Conditions and Rent in Chelsea: 1960	9
V	Ethnicity and Income-Employment Level: 1960	9
VI	Components of Change in Chelsea's Housing Stock: 1960-1969	15
VII	Luxury Construction in Chelsea: 1959-1969	23
VIII	Schedule of Relocation Stipends . . .	28
IX	Recommended Sites for Vest Pocket Housing	35

MAPS

1	Area Boundaries
2	Residential Conversions and New High-Rent Construction

I. INTRODUCTION

What makes a community? Not just buildings and streets and not just people, but rather a vital combination of all these elements. A neighborhood in a metropolis such as New York is in constant flux. But barring the introduction of extensive rebuilding, neighborhood change is usually a gradual process.

Without the introduction of any major re-building plan, however, change in the Chelsea section of Manhattan has proven to be a cataclysmic process. During the past decade, there have been tremendous transformations in this area, but they have not been the result of any overall planned development, nor are they always obvious to the casual observer. For the most part, the municipal government has stepped back and given property owners and real estate developers a free hand in determining the nature of change in Chelsea. The result has been an extraordinary shift in the housing accommodations availabe which, in turn, has had a marked effect on the kind of people who live in Chelsea. In short, a community that was once a mixture of ethnic, racial and economic groups is now well on its way to becoming a relatively homogeneous enclave of mostly white, upper middle-class residents.

Chelsea was not without need of improvement ten years ago. It is still in need of assistance to solve its housing and social problems. For the past decade, however, attention has been lavished on Chelsea's buildings while their inhabitants were, to a great extent, ignored.

This report is primarily concerned with the housing situation in Chelsea. It also considers the relationship between the type of housing that exists in a neighborhood and the character of the neighborhood itself. And it examines the effects generated by substantially changing the housing market in an existing community.

First, we have surveyed the characteristics of Chelsea's population and housing as they existed ten years ago. The second part of the report deals with the changes Chelsea's housing has undergone--the removal of 3,500 low- and moderate-rent apartments and their replacement by more than 2,000 units of high-rent housing--the causes of this transformation and the population changes it has brought about. The concluding section considers steps that can be taken to improve the accommodations available to Chelsea's low- and moderate-income residents.

II. CHARACTERISTICS PRIOR TO "NEIGHBORHOOD CONSERVATION"

The People

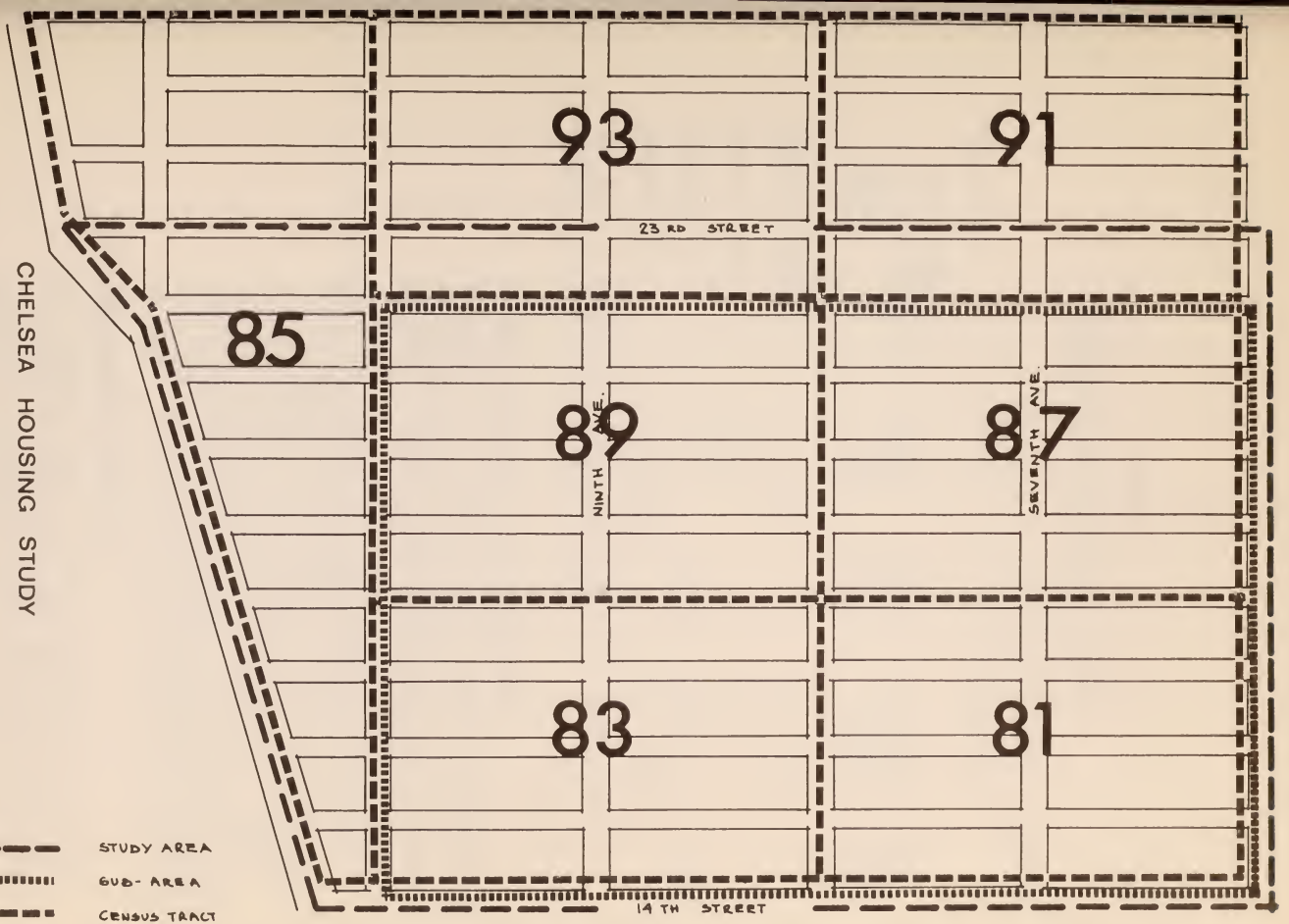
In 1960, Chelsea's population was poorer and less educated than that of Manhattan. Not unexpectedly, the unemployment rate was also higher. Although there was a smaller percentage of non-white persons in Chelsea, the area had a much higher percentage of Puerto Ricans. The population was also characterized by an unusually great proportion of single persons. Many of these single people, who occupied almost half of Chelsea's dwelling units, were middle-aged or elderly.

These characteristics of Chelsea's 1960 population are significant especially because many of them are no longer true. Of course, until the results of the 1970 census are known, it will be difficult to determine to what extent Chelsea has changed. But even at this time, certain deductions can be made from already known changes in the housing stock.

For instance, it is not presumptuous to assume that a Puerto Rican family with an annual income of less than $4,000 could not afford to live in a studio apartment renting for $195 a month. And, in fact, during the 1960's 3,000 of Chelsea's low- and moderate-income families and single persons have had to leave their homes, which were being converted into such expensive apartments or torn down to make way for new luxury buildings.

Ultimately, hundreds and hundreds of rehabilitation refugees have had to leave the Chelsea area because they were unable to find adequately sized low-cost accommodations. Their places have been taken by wealthier, better-educated and, more often than not, white persons.

The area being studied lies between 14th and 23rd Streets, the Avenue of the Americas and the Hudson River. At the time of the 1960 United States Census, it contained 31,643 individuals. Some of the characteristics discussed here, however, refer only to the 26,981 residents of the area bounded by 22nd and 14th Streets, the Avenue of the Americas and Tenth Avenue. They represented 85.3 percent of the total population. This section, hereafter referred to as the sub-area, is covered by Census Tracts 81, 83, 37 and 89.



CHELSEA HOUSING STUDY

Abeles, Schwartz & Associates

October 1969

AREA BOUNDARIES

TABLE I

General Population Data: 1960

	Sub-Area	Percent	Borough	Percent
Population	26,981		1,698,281	
White (non Puerto Rican)	19,893	73.8	1,046,183	61.6
Puerto Rican (a)	6,344	23.5	225,639	13.3
Negro	549	2.0	397,101	23.4
Other	195	0.7	29,358	1.7
Median school years completed	9.6 years		10.6 years	
Median income	$3,629		$3,923	
Unemployed	1,218	12.3	34,566	6.9
Median Age	37.4 years		37.7 years	

(a) Born in Puerto Rico or of Puerto Rican parentage.
Source: United States Census, 1960

1. Ethnic and Racial Characteristics

In 1960, 73.8 percent of the Chelsea sub-area's residents were white, non-Puerto Ricans as compared to 61.6 percent for the entire borough. (Table I) Only 549 of the residents (2.0 percent) were Negro, compared to the borough-wide 23.4 percent. The percentage of Puerto Rican residents, however, was quite high--23.5 percent in the sub-area and 13.3 percent in the borough. The Chelsea sub-area's largest single national group was composed of persons born in Ireland or of Irish parentage. This group represented 5.7 percent of the population. The only other significantly large ethnic groups were the Italians and Russians who were concentrated in the northeast quadrant of the sub-area.

2. Income and Education

The median income for the sub-area was $3,629, 7.5 percent lower than the borough median of $3,923. The median number of school years completed by residents of the sub-area was 9.6

years compared to 10.6 years for the borough.

3. Occupations

The industry traditionally associated with Chelsea is shipping. In 1960, 1,203 of the sub-area's 14,243 employed residents worked in the non-railroad transportation field (8.4 percent compared to 4.2 percent borough-wide). The loss of close to 1,600 dock jobs in the period since the census, due to the closing of the Grace Lines and United States Lines piers, has had a severe effect on the Chelsea labor market. Other major occupation groups were manufacturing and wholesale and retail sales, particularly in the printing and publishing and textiles and apparel industries.

4. Age Range and Family Size

The median age for the study area was 39.5 years, 1.2 years higher than the borough median. This figure is associated with the high proportion of furnished rooms and single-room occupancies, ideal accommodations for single persons and childless couples. Thus Table II shows 97.7 percent of the sub-area's apartments were occupied by one person. Also, one room apartments made up 34 percent of all the dwelling units, close to twice the rate of single-room apartments for Manhattan. Chelsea actually had a lower percentage of aged persons, but a large share of the adult residents were childless, resulting in the lower median age. The area with the highest percentage of school-age children and adults of child-bearing age (i.e. 20-44) was the 16 block section, densely populated and heavily Puerto Rican between 14th and 22nd Streets, Eighth and Tenth Avenues.

The Housing Stock

The study area contained a total of 17,330 dwelling units at the time of the census. Chelsea's housing stock, as varied as its population, was then composed of a mixture of building types: brownstones, old and new law tenements, lofts, multiple dwellings and even a few old frame structures.

Chelsea's housing accommodations were smaller, in worse condition, more over-crowded, more

expensive and used on a more transient basis than accommodations in the borough as a whole. The worst housing was found in the rooming houses, a substantial portion of the housing, which contained small, usually furnished units frequently without a bathroom or with a shared bathroom. Many of these rooms were occupied by Puerto Rican families.

1. Type

Although many of the buildings in Chelsea were not being used in 1960 to provide the class of housing for which they were originally designed, certain characteristics were still evident in each tract. Brownstones originally built as single-family townhouses, for example, were (and still are) most prevalent in the 16-block district district bounded by 22nd Street, the Avenue of the Americas, 18th Street and 10th Avenue. When the census survey was being made, most of these structures were being used for transient occupancy (Class B dwellings). Between 1950 and 1960, for instance, on one block, 17 of 24 brownstones were converted from Class A residentes to Class B rooming houses.

However, in 1960 only a few brownstones had been rehabilitated and were serving, once again, as single-family residences. There are also many brownstones in the two southern census tracts (81 and 83), but a large number of the structures here are five- and six- story old and new law tenements and multiple dwellings.

Most of the units in Chelsea were small. The average accommodation contained 2.4 rooms (3.2 for the borough). In the sub-area, 34.0 percent of the units contained only one room (18.4 percent for the borough) (Table II). Almost half (47.7 percent) of the units were occupied by a single tenant; 34.6 percent of all units were without a bathroom or had a shared bathroom. (Borough-wide only 15.7 percent of all the units were not self-contained.) In 1960 only 190 units in the study are were owner-occupied, less than one-third of the borough rate.

TABLE II

Rooming House Type Units and One-Room Apartments in the Chelsea Sub-Area, 1960

Tract	Total Units	One Room	Per-cent	One Tenant	Per-Cent	No Bathroom or Shared Bathroom	Per-Cent
81	4,201	1,045	24.9	2,098	50.0	977	23.3
83	2,028	569	28.1	750	37.0	426	21.0
87	3,125	964	30.9	1,532	49.0	1,073	34.3
89	4,687	2,198	46.9	2,317	49.4	2,380	50.8
Total	14,041	4,776	34.0	6,697	47.7	4,856	34.6
Borough	727,432	134,030	18.4	254,293	35.0	114,242	15.7

Source: 1960 United States Census

TABLE III

Rooming House Type Units in the Chelsea Sub-Sub-Area, May, 1969

Tract	Total Units	Rooming House Type Units (Class B)	Percent of Total Units	Vacant Class B	Percent of Total Class B
81	4,390	845	19.3	47	5.6
83	1,981	440	22.2	81	18.4
87	3,092	705	22.8	85	12.1
89	4,141	1,153	27.8	136	11.8
Total	13,604	3,143	23.1	349	11.1
City	2,987,300	110,700	3.7		

Sources: New York City Department of Buildings, Master List May, 1969

Housing Statistics Handbook, New York City Committee on Housing Statistics, October, 1968

The greatest number and percentage of furnished rooms were located in the area bounded by 22nd Street, 8th Avenue, 18th Street and 10th Avenue (Tract 89), where half the tenants lived alone in small rooms carved out of the once-elegant brownstones. The area bounded by the Avenue of the Americas, 14th Street, Eighth Avenue and 18th Street held about the same proportion of single persons, but three-quarters of the apartments had been designed as self-contained units.

Chelsea's main tenement area was the L-shaped section (Tract 83) bounded by 18th Street, 8th Avenue, 14th Street, 9th Avenue, 16th Street and 10th Avenue. Here only 37.0 percent of the units were occupied by single persons and 28.1 percent were one-room apartments.

2. Conditions: Deterioration and Overcrowding

The census takers rated 30.3 percent of the study area's housing as deteriorating or dilapidated, which was 4.0 percent higher than the borough-wide rate. In addition, 2,553, or 14.7 percent of the 17,330 units were considered over-crowded (i.e., 1.01 or more persons per room). (As noted above, the average Chelsea apartment was almost 1 room smaller than the average apartment for the whole borough.) At the time of the census, Chelsea's three worst blocks were the adjoining ones between Ninth and Tenth Avenues, 16th and 19th Streets (now occupied by Robert Fulton Houses). This was in the area with the greatest number of families and the highest rate of overcrowding. The greatest percentage of sub-standard units were in the subdivided brownstones and converted tenement rooming houses, bounded by 22nd Street, the Avenue of the Americas, 18th Street, Tenth Avenue and 23rd Street.

It is interesting to note that the blocks ad-adjoining the oasis-like General Theological Seminary abounded, even in 1960, in lovely, well-kept, owner-occupied exceptions to Chelsea's subdivided brownstones. This was primarily a result of the encouragement the Seminary offered to local owner-occupants. Overcrowding was particularly severe in the two blocks between Eighth and Tenth Avenues, 22nd and 23rd

Streets, where 3,258 persons were jammed into 2,192 units, consisting mainly of furnished rooms in converted brownstones.

3. Rentals

The average monthly contract rent per room in Chelsea was $31.34 compared to $26.55 for the borough. A comparison of rentals and conditions shows that high rentals and poor conditions often coincided. (Table IV) In the 2-block rooming house area bounded by 23rd Street, Eighth Avenue, 22nd Street and Tenth Avenue, for example, the average rent per room was $40.24 and 37.5 percent of the units were considered to be sub-standard. The highest average monthly rental per room, $52.37, occurred in the blocks bounded by 23rd Street, Eighth Avenue, 22nd Street and the Avenue of the Americas where the apartments averaged only 1.6 rooms. The lowest rents were in the southwest tenement area where they averaged $20 per room. The average apartment here had 2.9 rooms.

4. Conditions and Ethnicity

The largest number of Puerto Ricans in the Chelsea sub-area lived in the most heavily populated tract bounded by 22nd Street, Eighth Avenue, 18th Street and Tenth Avenue. (Table V) The 2,435 Puerto Rican residents here amounted to 27.7 percent of the total population. Of the tract's housing units, 35.8 percent were recorded as substandard and 16.6 percent overcrowded. The 8-block area also had the highest unemployment rate (13.9 percent)aand the lowest median income ($3,023 overall and $4,490 for families). The greatest percentage of overcrowded units (19.1) were found in Tract 83, in the southwest part of Chelsea, where most of the tenements are located.

TABLE IV

Housing Conditions and Rent in Chelsea: 1960

Tract	Aver. Rent per Room	Aver. No. of Rooms	Percent Sub-Standard	Percent Overcrowded
81	$27.60	2.5	26.0	9.8
83	20.00	2.9	15.9	19.1
85 (Blocks 7,8,10)	29.30	3.4	6.2	7.8
87	24.62	2.6	40.0	12.8
89	25.22	2.3	35.8	16.6
91 (Blocks 7,8)	52.37	1.6	7.6	9.8
93 (Blocks 7,8)	40.24	1.6	37.5	21.5
Total	$31.34	2.4	30.3	14.7
Borough	$26.55	3.2	26.3	13.3

Source: United States Census of Housing, 1960

TABLE V

Ethnicity and Income-Employment Level: 1960

Tract	Tot. Pop.	Puerto Rican	Percent Puerto Rican	Negro	Median Income Overall:Family	Percent Unemployed
81	7,634	1,237	16.2	121	$4,025 - 5,750	6.5
83	4,602	1,277	27.7	125	$3,751 - 5,408	12.3
87	5,955	1,395	23.4	87	$3,720 - 5,129	10.8
89	8,790	2,435	27.7	216	$3,023 - 4,490	13.9
Total	26,981	6,344	23.5	549		12.3

Source: United States Census, 1960

III. THE ADVENT OF NEIGHBORHOOD CONSERVATION AND OTHER FACTORS THAT HAVE AFFECTED CHELSEA

It can be said without reservation that the most significant single factor in the evolution of Chelsea into the kind of community it is today has been the Neighborhood Conservation Program. There have been other stimuli. These include the closing of the Chelsea waterfront, the encroachment of office buildings and light industry, a transformed housing market and certain municipal housing legislation. But it was the Neighborhood Conservation Program that set the tempo. As a quasi-municipal agency, it had an aura of authority denied to the non-partisan citizens groups, church, community and labor organizations concerned with Chelsea's problems. And, as the area chosen for the first conservation experiment, Chelsea was favored by municipal officials eager to prove that their program was feasible.

The Origins of Neighborhood Conservation

The nucleus of the Conservation idea started in 1947 when the Citizen's Union submitted to the City Planning Commission a report surveying the city's communities and recommending the subdivision of the five boroughs into 66 all-purpose districts. The establishment of the Community Planning Boards a few years later set a precedent for community involvement in physical and social improvement plans. In 1955 a prototype for the Neighborhood Conservation Program was developed in the notorious New California Hotel on 27th Street. The "hotel" was originally seven adjoining old-law tenements containing 96 units, which were occupied by close to 600 persons. Spurred by a neighborhood Settlement House, Hudson Guild, several city departments joined together to formulate a program to overcome the various ills that beset the "hotel". The converted structure was, in effect, a microcosm of a "grey area", the term that was later used to describe the Conservation districts. The building was structurally sound, the units included kitchen and bathroom facilities, and play space was provided in the rear. Nevertheless, the "hotel" was a welter of violations, because of misuse and neglect.

In the end, however, the New California experiment was termed a failure by the city agencies, as was its successor, the West 27th Street Project. Those evaluating the programs realized that the New California's problems could not be isolated from those of the neighborhood in which it was located. Subsequent to these experiments, in August 1959, just 10 years ago, the Neighborhood Conservation Program, soon to be hailed as Mayor Wagner's alternative to the "bull-dozer method" of urban renewal, was officially announced. Hudson Guild began to oversee the formal and expanded Chelsea Conservation Project.

Goals of Conservation

The Chelsea Conservation Program, as did the other conservation projects, aimed at creating a more favorable environment for a neighborhood's residents. The goals, as stated by a former chief of the Neighborhood Conservation Bureau, indicate that housing was emphasized from the start.

1. To stop the trend of housing obsolescence and deterioration, and stimulate rehabilitation.

2. To assist individuals and families in everyday problems.

3. To meet with tenants and, through such organizations as house committees and block associations, enlist their aid in neighborhood improvement.

4. To develop an effective team of public and private agents working in the Chelsea area for the betterment of the neighborhood and the poople who live there. *

The Conservation Program's involvement in other community efforts, however, cannot be ignored. The Program was also interested in meeting social welfare needs by tackling problems in health, mental health, education, welfare, employment, consumer education and recreation.

Accomplishments of Conservation

The accomplishments of the Neighborhood Conservation Program in the field of housing and the related effects on Chelsea's residents, occurred, to a great extent, as a result of the program's efforts to "stop the trend of housing obsolescence and deterioration and stimulate rehabilitation." Although the program had its greatest impact on Chelsea as a result of its involvement in housing, it must also be credited for its efforts in the fields of health, employment and consumer education, to name just a few. As one observer accurately noted, however, "Chelsea's succes has made the neighborhood a better place for those who can still afford to live there. It has not solved the problem of upgrading buildings for old neighbors." **

* Letter from Edward A. Gibbs, Chief of Neighborhood Conservation Bureau, July 26, 1965.

**Neighborhood Conservation in New York City, Frances Low, Cityizens Housing and Plannning Council, June, 1962.

Initially, conversion activities were limited mostly to the Conservation District. (Map II) During the decade the Chelsea Conservation Program has been in existence, however, its initial efforts to encourage rehabilitation by owner-occupants have been surpassed by the activities of commercial developers who have been attracted to Chelsea as a result of the "neighborhood improvement" fostered by the original Program. Therefore, although the city's emphasis on neighborhood conservation has diminished since the inception of other housing programs, and the Chelsea Conservation Project's importance as a spur to current conversions is negligible, the effect of the Project's original efforts persists. The more rehabilitation that goes on in a neighborhood, the more willing other developers are to invest money instill more rehabilitation and conversion. And the Conservation Project gave the rehabilitation cycle enough impetus in the beginning so that it is now largely self-sustaining.

Other Factors

1. Loss of Shipping

With the closing down of the United States Lines piers near 23rd Street in May of this year, 600 dock workers lost their jobs. The termination of Grace Lines' Chelsea operation in November 1967 meant the loss of a thousand dock jobs. Many of the dock workers were long-time Chelsea residents, a large number of them Irish-Americans, whose family men had traditionally worked as longshoremen. Denied jobs in their lifelong vocation, many dock workers have been forced to live on union pensions. They have less money to meet the rising cost of living in Chelsea. The removal of shipping also contributed to emptying of rooming houses which had for many years served as lodgings for merchant seamen. Once vacated these buildings were ideal candidates for rehabilitation.

2. Commercial Development

Commercial developers are eager to acquire land in the Chelsea area in order to expand southward from the 34th Street business district. The soaring Midtown Mart in the lower thirties between 9th and 10th Avenues is such a development. Plans are now being considered for another structure of some 30 stories between Ninth and Tenth Avenues.

3. New Housing Market

The conversion boom and the rash of luxury construction have been inspired by the existence of a new housing market which, in turn, has grown because of the availability of new studio and one-bedroom apartments. This market is composed largely of young white-collar workers and professionals who are becoming increasingly affluent and desirous of living in the center of the city.

4. Municipal Laws

The passage of municipal laws aimed at reducing overcrowding and illegal occupancy also spurred the clearing of rooming houses and, thereby, aided the conversion process. According to the Municipal Code, not more than two adults can reside in a room that can be used for sleeping purposes. Children under 12 count as half an adult and those under two are not counted. Other legislation prohibits families with children under 16 from living in rooming houses and single room occupancy buildings.

IV. HOW CHELSEA WAS CHANGED

In general, the effects of the Neighborhood Conservation Program's presence in Chelsea and the building and rehabilitation boom have been a decrease in the number of dwelling units, an improvement in the overall quality of the housing and a disproportionate increase in rents. Accompanying these changes in Chelsea's housing stock, there has been an increase in the number of prosperous white residents and a simultaneous exodus of poorer Puerto Ricans and Negroes.

Housing Stock

Since 1960 there has been an overall loss of 635 housing units in the study area. The drop from 17,329 to 16,694 units represents a net decrease of 3.7 percent. * Of course, these total figures do not accurately depict the actual nature of the change in the 36 residentially-occupied blocks bounded by 14th and 23rd Streets, the Avenue of the Americas and Twelfth Avenue. The rentals in the converted apartments wre far above those that were charged in the former, un-modernized buildings. The new high-rise buildings are also as much as three and four times as expensive to live in as the tenements and brownstones they replaced. Because the poor people, and even many of the middle-income persons, who were Chelsea residents in 1960 can no longer afford to live there, these new units cannot really be considered "gains" to the community.

Furthermore, 639 units are located in vacant buildings scheduled for conversion or demolition. Between 1960 and 1970 almost 3,500 low and moderate rent apartments will have been lost through conversion and demolition. ** This is a decline of 20 percent from the total number of units in 1960. (See Table VI)

* Department of Buildings Master List, May 1969

** This figure is based primarily on the monthly tally of conversions and demolitions that has been maintained by the Department of Buildings since 1963. Other sources were the Sanborn survey, conducted for the city, and personal observation.

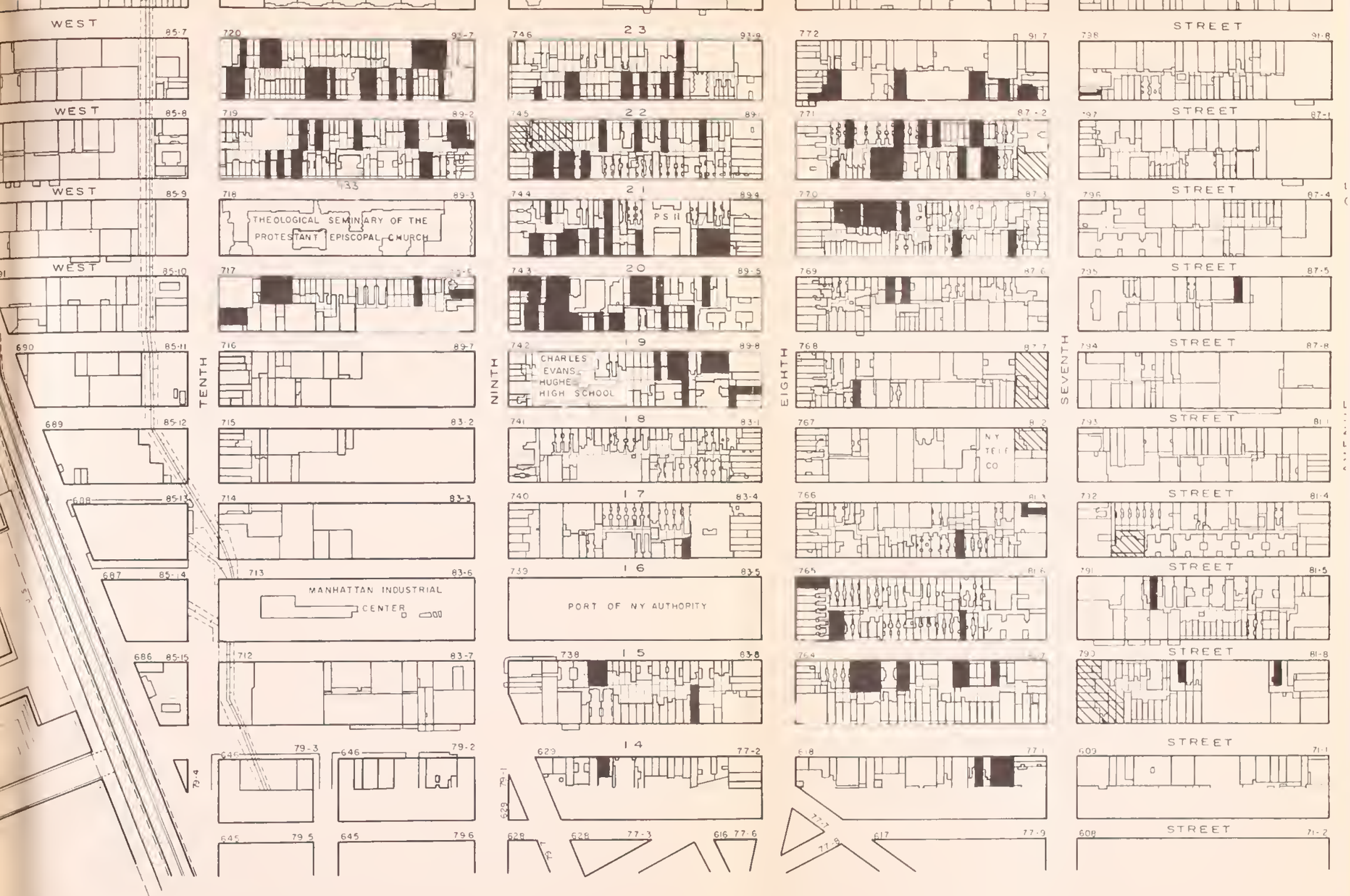
Table VI
Components of Change in Chelsea's Housing Stock: 1960-1969

Reason for Removal	Number of Low amd Moderate Rent Units Existing in 1960 and Since Removed	High Rent Units Produced as of 1969	Low and Moderate Rent Units Produced as of 1969	Net Change in Number of Low and Moderate Rent Units as of 1969
Conversion	2,350	1,200	52	-2,298
New Luxury	384	949	0	- 384
Robert Fulton Houses (NYCHA)	592	0	944	+ 352
Intermediate School 70	322	0	0	- 322
National Maritime Union Extension	78	0	0	- 78
Clement Clark Moore Park	4	0	0	- 4
Parking Lots	64	0	0	- 64
Other Commercial Uses	27	0	0	- 27
In Buildings Vacated for Demolition or Conversion	639	0	0	- 639
Total	4,460	2,149	996	-3,464

Sources: Department of Buidlings Master List, May 1969

Department of Buildings Records of Conversions and Demolitions, January 1963 to June 1969

Sanborn Survey of Housing Changes 1961-68



CHELSEA HOUSING STUDY

Abeles, Schwartz & Associates
October 1969

RESIDENTIAL CONVERSIONS & NEW HIGH RENT CONSTRUCTION

conversions completed & in process (197)

new high rent construction (5)

1. Conversions

Almost 2,300 of the low and moderate income dwelling units that have been lost were victims of the rehabilitation trend. They were converted into some 1,200 luxury apartments and one and two-family residences.

To date, most of the 175 buildings converted have been three and four-story brownstones that were originally built as one or two-family dwellings. Over the years, many had come to be used as rooming houses. More recently, as brownstones became scarcer, the trend has shifted to larger buildings--tenements and multiple dwellings.

a. The Causes

During the early 1960's, New Yorkers began rediscovering the charms of the city's old brownstones. Created as single-family dwellings, many of these structures had been subdivided into rooming houses and single room occupancies (S.R.O.'s). As far back as 1955, however, the city had been trying to halt the creation of this kind of transient accommodation by prohibiting S.R.O.'s. In 1963, other laws went into effect requiring one toilet for every six tenants and barring children from furnished rooms. Unquestionably, such regulations are formulated with the best interests of the health and welfare of all New Yorkers in mind. The net effect, however, was to encourage the kind of rehabilitation that was eventually to force people out of Chelsea rooming houses and into often worse apartments in the city's ghettos. In Chelsea, as these buildings became available (through methods that could frequently be described as harassment), the rehabilitation process received further encouragement from the Conservation project and the General Theological Seminary. The Seminary loaned funds for financing rehabilitation to owners of buildings on nearby blocks. This inspired the confidence of the more traditional money-lending sources such as banks and finance companies. On a citywide basis, the Conservation Program went so far as to retain the services of a real estate firm, to give management advice

to property owners in conservation districts. Much of the advice dealt with the means of accomplishing rehabilitation and modernization to spur conversion of Class B rooming houses and S.R.O.'s into family-centered structures containing self-contained dwelling units. * Major rehabilitation was particularly extensive in Chelsea because a great proportion of the buildings were being put to this kind of undesirable transient use.

It became clear that the Conservation Program was owner-oriented to a great extent as they believed that the property owners' actions would have an important effect on the neighborhood's environment. Conservation tried to attract new owners and sources of equity capital to the districts. It moved to initiate and implement legislation providing economic aids and incentives designed to encourage property owners to make improvements. In addition to the technical assistance offered by the real estate consultants, Chelsea property owners were able to get their applications for municipal loans and tax abatements processed through the Conservation office. By pressing for the relocation of the (mostly Negro and Puerto Rican) families that were illegally occupying furnished rooms and overcrowding apartments, the Neighborhood Conservation Project also aided landlords on their attempts to vacate brownstones for revovation. The Housing and Redevelopment Board's (forerunner of the Housing and Development Administration) own comprehensive report on conservation states, in fact, that "The district can take credit for the fact that much of the rehabilitation in the overall Chelsea area is concentrated in the Conservation District." **

* Neighborhood Conservation in New York City, Housing and Redevelopment Board, 1966, pp. 109-110.

** Ibid.

Much of the revovation was initially accomplished by private owners who rehabilitated smaller structures for their own family's use. * As more of these pioneering homeowners moved into Chelsea, however, the value of the brownstones started climbing. At the same time it began getting easier to acquire the funds needed to undertake profit-making rehabilitation. ** Moreover, real estate developers gradually became aware that Chelsea was a neighborhood "on the way up." So, as the supply of brownstones in Greenwich Village and Yorkville became exhausted, the developers joined the rush to buy up Chelsea brownstones.

b. Results

The impact the Neighborhood Conservation Program and the Seminary have had on the conversion process can be seen in the heavily converted area bounded by 20th and 23rd Streets, Eighth and Tenth Avenues. (Map II) This is where the Seminary is located and the Conservation project launched its efforts. One third of the residential buildings on 22nd Street between Seventh and Tenth Avenues--more than 50 structures--have been rehabilitated. Some 30 buildings have been converted on the 200, 300 and 400 blocks of 21st Street and about the same number have undergone renovation on the same blocks of 20th Street. ***

* In July, 1965, the chief of the Neighborhood Conservation Bureau, claimed that 30 of the Conservation District's 69 renovated structures were owner-occupied. This rate has since dropped considerably as commercial rehabilitation has taken hold in Chelsea.

** Between 1960 and 1962 only one-sixth of the mortgage loans to Chelsea property owners came from banks and savings and loan associations. The rest was provided by private, syndicate and institutional sources. (Neighborhood Conservation in New York City, Housing and Redevelopment Board p. 121).

*** The rate of conversions on 20th and 21st Streets is even higher than it appears to be because the Seminary takes up an entire block between the two streets.

In this area, one effect of the conversions has been the elimination of many of Chelsea's furnished rooms and other transient accommodations. (See Tables II and III) Most of these units were in the section bounded by 18th and 23rd Streets, Sixth and Tenth Avenues. Their occupants, as noted before, included a large number of Puerto Ricans and many elderly single persons.

Of the existing apartments in Chelsea sub-area 23.1 percent are now rooming house type units (Class B) compared with 34 percent in 1960. Chelsea still has a high proportion of Class B units compared to the entire city, where they represent only 3.7 percent of the housing accommodations. But 349 of the sub-area's rooming house type units are in vacant buildings slated for demolition or conversion. The proportion of usable Class B units, therefore, is actually only 20.5 percent of the sub-area's total number of dwelling units.

From an economic and aesthetic standpoint the conversion of these shabby furnished rooms into new, $200-a-month studio and one-bedroom apartments is a commendable achievement. By 1964, expenditures of $1.6 million had already resulted in a $3-million increase in assessed valuations in Chelsea Conservation District. Those figures could progably be doubled now. At an estimated $37,000 per building, excluding acquisition, about $7.4 million has been spent on renovations.

Apartments in the converted brownstones tend to be small because the buildings themselves are usually no more than 25 feet wide. Nevertheless, rents are high. A five-story building on 21st Street, for example, contains ten studios renting for $175 monthly and ten one-bedroom apartments renting at $250. Studio apartments in a four-story building on the same block were recently advertised at $195.

Conversions of Chelsea's remaining rooming houses and un-modernized brownstones continues at a rapid pace and, in fact, has now probably reached its zenith. An informal

survey conducted in May revealed that at least 50 buildings in the study area were in the process of being renovated. Rehabilitation of this sort, however, is no longer limited to brownstones. In May, the owner of a five-story, 28-unit building on 21st Street filed an application for permission to gut the structure and rebuild it with 49 smaller apartments. Instead of four, five and six-room apartments the remodeled building would contain mainly one-bedroom and studio apartments. This is only the beginning of an extension of the conversion trend into Chelsea's large moderate-rent buildings.

2. New Construction

About 1,900 new dwelling units have been constructed in the Chelsea study area in the past ten years--944 units of public housing and about an equal number of high-rent apartments. * Even with the addition of Robert Fulton Houses, a Federally-aided public housing project, the construction of expensive housing accounted for the loss of 200 more of Chelsea's low and moderate income units and the dislocation of their occupants. Unless halted by outside forces, the construction of new luxury housing in Chelsea can be expected to continue. In fact, there has been a recent attempt to upgrade zoning in Chelsea specifically for the purpose of encouraging this kind of construction.

a. Public Housing

Fulton Houses, completed in 1965, replaced most of the housing on the three blocks rated as the study area's worst during the 1960 census. A total of 592 units were demolished to build Fulton's 944 units. Roughly 70 percent of the Fulton tenants are white; 10 percent are black and the remaining 20 percent, mostly Puerto Rican. ** The high

* The middle-income Penn South Co-operative, which was also built during this period, is located outside of the study area between 23rd and 26th Streets.

** New York City Housing Authority, January 1, 1968

percentage of white penants is explained by the fact that a large number of the site tenants were Irish-Americans. Of the three public housing projects in Chelsea, Fulton has the highest percentage (14.6 percent) of persons over age 60.

As a sidelight, it is interesting to note that all of the 2,073 units of public housing in Chelsea are located west of Ninth Avenue. * Thes is probably because land in this area was less expensive to purchase than the land on Chelsea's east side. Nevertheless, the net result has been segregation of income groups.

b. High-Rent Housing

In addition to the hundreds of expensive apartments created through conversion during the past ten years, about 950 other high-rent dwelling units have been added to Chelsea's housing stock as a result of luxury construction. (See Table VII) Almost 400 low and moderate income units were demolished in order to build these units which carry month rents of $75-$100 a room. ** (Table VII)

The construction of new luxury buildings poses a particular threat to Chelsea because in addition to the inevitable relocation of low-income tenants, such buildings use up land that could be utilized for low- and moderate-rent housing. Developers have

* John Lovejoy Elliot Houses (1947), 25th Street, Chelsea Park, Ninth and Tenth Aveneus, 608 units.
Chelsea Houses (1964), 25th and 26th Streets, Ninth Avenue, 425 units.
Chelsea Addition (1968), 26th Street, Chelsea Park, Tenth Avenue, 96 units.

** A recent advertisement for 151 West 16th Street stated that two-room apartments were available from $180. The same day's newspaper carried an ad for a West 18th Street building with three room units at $288.

bought up residential and commercial structures, vacated and demolished them and then used the lots for parking space until they have accumulate enough land to make construction economically feasible. They may also leave property undeveloped until they can obtain the zoning variances that will allow them to build more apartments on the site than would be alowed under the existing zoning. *

In 1968, a high official in the Housing and Development Administration recommended to the City Planning Commission that Sixth and Seventh Avenues and the interior section of the blocks between those avenues from 17th to 22ne Streets be rezoned from R-9 to R-10 levels. It was noted that R-8 zoning would allow the construction of 650 rental rooms at $109 per month. Under the denser R-10 zoning, 1,250 rooms could be produced for rentals of "only" $96.50 per month. It is reasoned that the smaller, childless households that make up the market for such housing place less than average demands upon community facilities while making higher than average contributions in taxes. "From the city's fiscal standpoint," the report stated, "these households are a precious asset and any step that can be taken to maintain or increase their number in Manhattan should be encouraged."

Although the recommendation was not accepted at that time, local politicians and other persons familiar with the city's housing and zoning policies feel that the widespread rezoning to R-10 is still a possibility.

* Such is the case of the 31,00 square foot parking lot on Sixth Avenue between 15th and 16th Streets. A 1968 request for rezoning of this parcel precipitated a study of the extension of R-10 zoning by the Housing and Development Administration. The decision on a 1969 application for the same lot is expected shortly.

TABLE VII

Luxury Construction in Chelsea: 1959-1969

Location	New Units	Units Demolished (estimated)
200 W. 18th Street	61	20
61-77 Seventh Avenue	355	106
22nd Street and Ninth Avenue	220	110
201-205 W. 21st Street	130	48
140 Seventh Avenue	110	20
151 W. 16th Street	73	80
Total	949	384 (Minimum)

Sources: New York City Department of Buildings Master List, May, 1969
Sanborn Survey of Housing Changes, 1961-1968
Observation

The People

The most tragic by-product of Chelsea's upgrading has been the dislocation of many of the neighborhood's low and moderate income residents. The people who have borne the brunt of progress have been mostly Negroes, Puerto Ricans or elderly single persons. Ironically, these are among the people for whose benefit the Neighborhood Conservation Project was supposedly originally devised. Using the data on housing changes, it can be estimated that at least 3,500 low and moderate income families and individuals lost their homes in Chelsea because of conversions and demolition. Many of these people were forced to move by landlords who illegally harass tenants in order to get them to move "voluntarily." Some of the families have been assisted in relocation by the Neighborhood Conservation Office and the Department of Relocation.

1. Who Has Been Affected?

The original 1959 policy statement of the Chelsea conservation Project insisted, "This program shall not be a subtle, tongue-in-cheek operation for the elimination of Negro, Puerto Rican and other minority groups from the neighborhood." Nevertheless, these are the people who have been most adversely affected. A review of the Chelsea Conservation Project's periodic progress reports shows that most of those relocated have Spanish surnames. Mrs. Ana Crusado, a former director of the Chelsea Project, has been quoted as saying that of the 300 families relocated by 1963, 85 percent were Puerto Rican, 10 percent Negro and 5 percent other. The majority of these families had four or five children. Surveys by the Metropolitan Council on Housing and the Chelsea Save Our Homes Committee further indicated that most of these families moved to segregated areas such as Bedford-Stuyvestant in Brooklyn and South Bronx because they could not find low-cost and adequately sized housing in Chelsea. Only 10 percent of these people were relocated into public housing. Conservation has also resulted in a dispersal of welfare recipients. A 1961 progress report states that the number of families in the project area receiving Aid to Dependent Children dropped 70 percent from September 1960 to September 1961. "This was done through our Relocation Program," the report proudly comments. *

The removal of minority group members as a result of the upgrading was one of the reasons cited by the New Chelsea Reform Democratic Club when it voted not to support expansion of the Chelsea Conservation Project in November, 1965. "The net effect of upgrading was the moving of minority groups out of the area to ghetto housing," the club stated. The director of the Chelsea Project retorted, "What people are ignoring is that certain blocks are ghettoes here... The implication is that these people would prefer to have the ghetto in Chelsea. The Relocation Department moves people to standard decent housing and it is not all in ghettoes." **

* Chelsea Conservation and Rehabilitation Program, Six Months Progress Report, May 1961 through September 1961, p. 11.

** Chelsea-Clinton News, Dec. 2, 1965.

The massive dislocation of families and individuals from admittedly poor housing would not have been so disturbing if they were able to find good accommodations in other parts of the city. But, at a time when decent housing was and oontinues to be scarce in New York, that has hardly been possible. Only a small share move into public housing. And, according to the Department of Relocation's own figures, 70 percent of the families relocated out of Chelsea in 1961 and 1962 moved to a worse area, i.e. one rated as having a higher incidence of social problems. Twenty percent moved to an area with the same frequency of problems as Chelsea. Only 10 percent of the relocatees, therefore, were living in better neighborhoods after being moved out of their homes in Chelsea. *

Despite denials of the true effect of rehabilitation on low-income and minority group persons, officials of the Neighborhood Conservation Program were apparently aware that an enclave with economic restrictions and corollary social and ethnic limitations was being created. In a major report prepared under the direction of former Conservation Program director, Harry C. Harris, it is stated that the conversion of rooming houses was encouraged by the Program even though the cost of rehabilitating the buildings, coupled with the removal of rent controls, would usually prevent the former residents from reoccupying the rehabilitated structures. (If indeed, they were willing to return after having obtained apartments and planted their roots elsewhere in the city.) Higher income tenants would, of necessity, move into the rehabilitated buildings, observed the Harris report, thereby changing the economic, social, racial and ethnic character of the neighborhood. "As a consequence, another of the Program's goals--the maintenance of the neighborhood population balance--would not be fully realized." **

* Neighborhood Conservation in New York City, Housing and Redevelopment Board, p. 104.

** Ibid. p. 118.

In the light of this admission that the upgrading indeed results in a removal of low-income persons, a comment in the April 1961 progress report of the Chelsea project seems rather ironic. "In addition to the physical change of the buildings," it states, "So too has there been a noted change in both the attitude and appearance of the people. They are better clothed, and judging from their appearance, better fed, and making better use of the health facilities." Judging from the facts, they were also different people.

The transformation that Chelsea has undergone is most graphically demonstrated by a glance at one of the heavily renovated blocks, 22nd Street between Eighth and Ninth Avenues, for instance. The people that enter the sparkling, air-conditioned four and five-story converted brownstones are well-dressed, white and obviously affluent. But here and there vestiges of the previous tenantry can be seen. The Puerto Rican and Negro residents of 22nd Street still gather on the front steps of their dingy buildings, structures that now seem woefully out of place. Here the shabby structure is the exception while five blocks south, on 17th Street, it is the rule. The resulting picture is a remarkable before-and-after demonstration of the effects that "upgrading" has had on Chelsea.

2. The Harrasment Cycle

Conversion to small expensive dwelling units is usually the last step in a cycle that begins with deliberate neglect and continues through deterioration, dilapidation and the ultimate dispersal of tenants who finally leave when conditions become intolerable. By inducing tenants to vacate "voluntarily," landlords avoid the necessity of protracted, formal eviction proceedings and relocation requirements. Sometimes a fee is offered to tenants to sweeten the relocation process. Invariably, this amount is less than the required amount and the tenant is still faced with the problem of finding new accommodations.

City records of violations are not accurate evidence of harassment by reducing services because they only list those violations that have been reported and then witnessed by a building inspector. Even so, the coincidence of frequently recorded violations and vacant buildings with heavy subsequent conversion activity is an indication of the cycle of deterioration that leads to the emptying and eventual conversion of buildings.

Two blocks serve as a good example of this condition. On the heavily converted block bounded by 22nd and 23rd Streets, Ninth and Tenth Avenues, 18 buildings had at least 10 violations and nine other buildings were vacant. In contrast, on the block between 19th and 20th Streets, Seventh and Eighth Avenues, there were no vacant buildings and only three buildings had ten or more violations. * Since 1960, about 240 low-cost units have been lost on the heavily converted block (which was an early Conservation area) representing a 22 percent loss. On the other block, there has been a loss of only 39 units, a 6 percent attrition.

In addition to the conventional harassment tactics, such as reducing heat and hot water and failing to make necessary repairs, landlords have devised other ingenuous methods of preying on tenants. Some landlords have hired drunks as building superintendents. Others remove locks from already vacant apartments and, therby, virtually invite Vagrants, addicts and drunks to move in and annoy the remaining tenants. Often the landlords hire commercial relocation companies to do the work. In some instances, the relocation companies (or the landlords) have hired strong-arm men to physically threaten tenants. The city is, in fact, now conducting an investigation of harassment by these firms and legislation is being drafted to require their licensing and the imposition of penalties for harassment. A lawyer familiar with the harassment problem reported that one Chelsea landlord went so far as to hire a "bruja," a Puerto Rican sorceress, to "hex" apartments. The terrified tenants, for the most part poorly educated Puerto Ricans, refused to return to the building.

3. Relocation Assistance

Families that live in Conservation Districts may receive relocation assistance from the local Conservation office and all relocatees are entitled to receive relocation bonuses from their landlords. (Table VIII) Nevertheless, it has been impossible to find enough adequate housing in the Chelsea area for all the relocatees and most of them never receive relocation fees because many tenants are not even aware that they are entitled to receive stipends.

* Department of Buildings, Master List, May 1969.

Furthermore, the Chelsea Conservation Office services only those families that live within the district's boundaries. But, as noted before, the vacating of buildings slated for conversion has been going on for a long time in blocks outside the Conservation District.

TABLE VIII

Schedule of Relocation Stipends

A. Regular Rental Apartments

Number of Rooms	Self-Relocated	Landlord Relocated
1-3	$450	$200
4	$600	$300
5 or more	$750	$400

B. Rooming House or Single-Room Occupancy

Family Composition	Self-Relocated	Landlord Relocated
Single person under 60	$100	$50
Single person 60 or older	$150	$75
Family with no children under 16	$150	$75
Family with one or more children under 16	$450	$200

Source: Rent and Eviction Regulations of the Housing and Development Administration, Sept. 1, 1968.

In her study of Neighborhood Conservation, Frances Low commented that, "The forced relocation of overcrowded families is a necessary and legal procedure in the salvation of any particular neighborhood. But this points up a limitation of the Neighborhood Conservation Program on a city-wide scale. In order for these neighborhoods to preserve decent conditions

for at least a part of their residents, they must unload surplus population on the rest of the city. Conwervation does not provide alternate accommodations for families of even one or two children." *

Furthermore, it is obvious that the Chelsea Conservation Office has been able to give relocation assistance to only a small percentage of the persons forced out by the conversions that the Conservation Office itself directly or indirectly encouraged. From January 1 to September 30, 1966, for example, the Chelsea Conservation Project relocated only four families. During the entire year of 1967, the Project, with the assistance of the Department of Relocation, managed to find housing for only 14 families.** However, a large number of the relocation cases handled by the Conservation Office do not result directly from conversion. They arise from instances of illegal occupancy or overcrowding that have come to the attention of the Office.

It was, perhaps, because of the Chelsea Conservation Office's rather limited contact with relocatees that it was not until December 1967 that the possibility of a severe shortage of Chelsea relocation resourses was "officially" recognized. In September of that year the three-month progress report stated, "As far as this office can observe, there is still a sufficient supply of single rooms available for those tenants who must be relocated." Three months later, however, the December report observed, "Resources in this category have been shrikking and in the next period we believe that a crisis will develop which requires planning so as to forestall an exodus rather than an orderly relocation of single persons and couples, especially those above 60 years of age, in the Chelsea community." ***

* Neighborhood Conservation in New York City, Citizens Housing and Planning Council, pp. 17-18.

** Chelsea Conservation Project of the Hudson Guild, Progress Reports, 1966-67.

*** Ibid.

V. RECOMMENDATIONS AND POSSIBLE SOLUTIONS

Solutions to Chelsea's housing problems must be formulated on immediate, short-term and long-range bases. The first two approaches should concentrate on restoring to a reasonable degree the housing balance that Chelsea once enjoyed; that is, replacing a large number of the low and moderate rent units that have recently been lost. Immediate programs should include building and health code enforcement and enforcement of existing prohibitions against harassment. It will take somewhat more time to develop the second phase--publicly-assisted, moderate cost rehabilitation and vest-pocket public housing. Looking ahead at least ten years, plans should be made for development of the area west of Tenth Avenue for extensive residential use. The feasibility and ultimate success of this kind of plan, however, is dependent upon several external (and, for the most part, economic) factors.

Code Enforcement

Those familiar with the Chelsea housing situation, including the Chelsea Conservation Office, are skeptical about the value of pursuing this type of effort, particularly as a means of "saving" buildings once landlords have decided to let violations accumulate in order to clear out tenants.

Violations are most prevalent in rooming houses and tenements. In the case of the former, although the buildings are usually structurally sound, they have become dilapidated as a result of over-use and insufficient maintenance. The landlords are reluctant or completely unwilling to make even minor improvements and often they will allow violations to accumulate in order to empty buildings for conversion. In the tenements, extensive work to the point of rehabilitation is usually required to make them truly habitable. Whereas these structures are not usually subject to conversion, landlords claim it is not economically feasible or even possible to make all the repairs needed.

Although it would not be wise to completely curtail activity in this area, the low rate of success would appear to indicate the necessity for applying other measures. Even though the records indicate that more violations are being corrected than recorded, the number corrected does not begin to make a dent in the vast number of outstanding violations. And by the time the inspector returns, countless new violations have usually developed. Even an increase in summonses issued will not solve the problem because payment of the modest fines is still cheaper than making repairs. The only solution--one which would have to be

pursued actively on a city-wide basis--is the imposition of very severe fines and jail sentences against offending landlords. Judging from the increase in recorded violations in the Chelsea Conservation District since the office there was assigned its own Buildings Department inspector, code enforcement might be strengthened if the Chelsea Action Center were also to be assigned an inspector to cover the rest of the Chelsea area.

Anti-Harassment Statutes

The harassment of tenants for the purpose of vacating a building is clearly prohibited in the New York City Rent and Rehabilitation Law (Sec. Y51-10.0 d.(1)). Proceedings to determine whether a building was vacated by harassment must be instituted before the Rent Administration no later than 30 days after the structure is vacated. The Rent Administration may then institute proceedings in the State Supreme Court enjoining a landlord from harassment. It is not necessary, however, to wait to take action until all of the tenants have been forced to move. The law provides that the Rent Administration may take action whenever, in its judgment, any landlord is about to engage in illegal actions against tenants.

Lawyers who have handled harassment cases of the type plaguing Chelsea say that actions are frequently dismissed by the Rent Administration because of an alleged lack of evidence. The Housing and Development Administration claims, nevertheless, that the city has forced nearly 1,000 landlords to stop harassing tenants since the start of the Lindsay administration and has announced plans for an accelerated effort against landlords and relocation companies engaging in illegal harassment.

Despite the limited successes in stopping harassment through the municipal machinery heretofore, it is advisable to continue filing complaints with the Rent Administration if only to build up a body of reported evidence of this practice. Instances of harassment should, therefore, be carefully documented and recorded by housing blockworkers.

Another weapon may be the initiation of Supreme Court proceedings by the tenants themselves. This is a fairly uncomplicated and inexpensive procedure. Because the Rent Law provides for this type of action by the Rent Administration itself, it is necessary for complaining tenants to first file their charges with that agency thereby exhausting the existing legal remedies.

Government-Assisted Moderate Cost Rehabilitation

While it is generally agreed that rehabilitation to create low-income housing is not practical or economically feasible as a substitute for new construction, some moderate cost rehabilitation could help to meet Chelsea's housing needs. Such rehabilitation would be suitable particularly for elderly persons whose income is too high to qualify them for public housing, or for other persons without children. (Because of the layout and the size of most brownstones and other convertible buildings, they are usually not suitable for renovation into apartments large enough for families with children.)

There have been only three instances of lower cost rehabilitation in Chelsea. Two adjoining five-story structures on West 16th Street and one five-story tenement on West 15th Street were recently renovated by a private developer through the 221(d)(3) program. Rents in the 52 apartments are controlled and run $85 to $95 a month for two-bedrooms. Although 221(d)(3) assistance is no longer available, Section 236 of the 1968 Housing Act provides for similar assistance.

Some of the other available financial aids that might be used singly or in combination.

1. Municipal Loan Program

   Used to finance certain improvements in buildings erected before April 18, 1929 or to pay for the conversion of rooming house type units to Class A multiple dwellings. After improvement the building must remain under rent control and the annual income of the tenants may not exceed six times the rent plus the cost of fuel and electricity during the period of the loan. Loans are usually available for periods up to 30 years at 5-1/2 percent. The new apartments can be marketed for $27 to $32 per month a room.

2. Tax Exemptions

   Owners of multiple dwellings who eliminate pre-existing dangerous, inadequate or obsolete facilities may negotiate nine-year tax exemptions of varying amounts to offset the increase in assessed valuation. According to information prepared by the Housing and Development Administration, such exemptions are available to the full extent of the cost for a period up to twelve years.

3. Tax Abatement

Owners of sound multiple dwellings including pre-1929 converted multiple dwellings altered or improved with Municipal Loans or rent-controlled Class A structures converted from S.R.O.'s may obtain abatements for up to nine years to the extent of 8-1/3 percent of the cost of alterations and improvements.

4. Turnkey Program

Under the turnkey plan private developers construct low income housing after making a "handshake" agreement with the New York City Housing Authority to sell the building(s) to them for use as public housing after construction is completed. It should not be difficult to find sponsors for turnkey projects in Chelsea as private buildirs will have little trouble marketing the housing.

5. Section 202, Direct Loan

The U.S. Department of Housing and Urban Development offers direct loans to non-profit sponsors and consumer cooperatives for the rehabilitation of housing for the aging and handicapped through the 202 program. Loans may be made up to 100 percent of the development cost for up to 50 years.

6. Federal Rent Supplement Program

The Housing and Urban Development Act of 1965 also authorized a rent supplement program for low-income families. This could be used in conjunction with the Section 236 or Section 202 programs to make rehabilitated units available for those within the income range for public housing.

7. Write Down

New York City can write down the acquisition cost of old-law tenements purchased by non-profit sponsors for rehabilitation.

Vest Pocket Public Housing

Public housing, previously limited to large-scale projects, is now also taking place on smaller sites. In Chelsea, such an approach is both necessary and desireable. The need for low-income units has already been discussed. Housing on the suggested sites, however, could also serve to uplift Chelsea because many of the locations chosen are now unattractive and under-utilized commercial lots filled with partially vacant lofts and old law tenenents converted for business use. (Table X) Some of the other sites are presently used for parking lots or garages. With the exception of the Morgan Annex site and three locations adjoining the Robert Fulton Houses, all of the preferred sites are east of Ninth Avenue. Development of the eastern area for low and moderate income residents is necessary if Chelsea is to avoid being divided into economically distinct sections.

The minimum suggested lot size is one half acre. Under the prevailing R-8 zoning this would allow for 110 units averaging 4-1/2 rooms (two bedrooms). The average land cost per square foot based on assessed valuations is $15.00. In all, approximately 11 acres of land could feasibly be developed as vest pocket sites. This is enough to construct almost 2,500 apartments (average 4-1/2 rooms) under the present zoning. The sites could be developed through a variety of means: directly by the Housing Authority, under a turnkey arrangement for use as public housing or by neighborhood non-profit sponsors in which case a range of rents would be psssible. Most of the sites are also likely to require intervention by the city in assembling the land by condemnation, writing-down the acquisition costs to a level consistent with public or aided housing and relocating the families and businesses now on the site.

It may also be possible to link the development of vest pocket housing sites with one of the constant goals of tenant groups in Chelsea: very closely controlling the conversion of existing buildings. It is strongly recommended that a vest pocket program get underway immediately with priority in the new housing given to people who are being dislocated by conversions. Conversion would only be authorized after an equal number of new or rehabilitated apartments at rents the dislocatid tenants could afford were available in Chelsea. The conversion process itself would be controlled by regulating the issuance of building permits.

TABLE IX

Recommended Sites for West Pocket Housing

Designation	Location	Size (Sq. Feet)	Number of New Units (4-1/2 rooms)	(a)-Residential Relocation (est.)	Business Relocation (est.)
1	Entire block, 28th 29th Streets, 9th, 10th Avenues	158,100	798	None	None
2	8th Avenue, 16th, 17th Streets	34,700	175	58	2
3	18th Street, 7th, 8th Avenues	20,300	103	52	5
4	19th Street, 7th, 8th Avenues	32,100	162	None	2
5	22nd Street, 7th, 8th Avenues	20,000	101	None	None
6	6th Avenue, 15th, 16th Streets	31,000	156	None	None
7	7th Avenue 22nd, 23rd Streets	33,100	167	9	40
8	21st Street 6th, 7th Avenues	23,300	117	18	11
9	21st Street, 6th, 7th Avenues	21,300	107	4	8
10	17th Street 9th, 10th Avenues	22,200	112	18	4
11	10th Avenue, 18th, 19th Streets	63,700	322	43	13

Designation	Location	Size (Sq. Feet)	Number of New Units (4-1/2 rooms)	Residential Relocation (est.)	Business Relocation (est.)
12	18th Street, 9th, 10th Avenues	29,000	146	None	3
Total		488,800	2,466	166	85

(a) Zoning for all new units is assumed to be R-8.

Recent events indicate that of the suggested sites, the Morgan Annex, (Site no. 1) largest of the proposed locations, may be available if the Federal government does not use it for a Post Office. City officials and the Housing a and Development Administration have indicated their support for the construction of housing on the site if it can be acquired from the government. Furthermore, the city is willing to have the Chelsea community determine the type and rental mix of the housing.

In terms of financing and achieving a flexible rent structure, we advise the construction of housing under the Mitchell-Lama program combined with Section 236 interest rate subsidies. In addition a combination of federal rent supplements, Section 23 leasing to the Housing Authority and State capital grants would yield monthly rentals ranging from say $15 per room per month to about $35 per room. A reasonable goal would be seventy percent of the apartments renting at less than $25 per room and the remainder at $25 to $35 per room. It would also be possible to develop the housing as a cooperative with about the same monthly costs. If this combination of financing and subsidies is not reasonably attainable, the site should then be developed under a public housing program. The site is presently zoned for M1-5 (light industrial) and C6-4 (central commercial) usage. After rezoning the site could yield 800 dwelling units (averaging 4-1/2 rooms) at R-8 zoning and almost 1,200 at the maximum R-10 levels. If the site is re-zoned to R-10, but the housing is built at a lower "zoning bulk", it may be desirable and possible to use the remaining bulk for a small school and other services, or to build a parking garage serving the nearby business and entertainment (i.e. Madison Square Garden) centers. In this case the income from the commercial parking would be used to defray the costs of the housing.

Long Range Development

Between Tenth Avenue and the now-deserted Hudson River piers lies Chelsea's no-man's land, a grimy sprawl of garages and truck parking lots, warehouses and small light industrial concerns with occasional tenements scattered throughout. Now, the area is effectively barricaded from the rest of Chelsea by an elevated railroad spur standing just west of Tenth Avenue, which now only serves the Gansevoort wholesale meat market.

This section, totalling roughly ten acres, could eventually be developed as a comprehensive residential community. Because of the distance from shopping and transportation, any such development would have to provide these services. Under R-8 zoning 2,244 units (averaging 4-1/2 rooms) could be provided.

Any plans for this area, however, are contingent upon other, primarily economic, interests that come to bear in this section. Community planners should, however, not lose sight af the fact that any widespread discussion of the transformation of this area for residential purposes could effectively wipe out the possibility of ever reactivating this area as an employment source.

1. STOL-Port

   If it is decided to locate the proposed Short Take Off and Landing area at the western end of 34th Street, the entire area (as well as blocks to the east) would become undesirable if not completely unsuitable for residential development. Because of the indentation in the shore line near 12th Street, planes would probably approach the landing area by travelling north at that point from the Hudson River. The city has alreay acceded to the wishes of Queens' residents in deciding that it would not build the STOL-Port at Flushing Airport. Hopefully, agitation by Chelsea residents will achieve similar results.

2. Shipping

   It is possible that efforts should first be concentrated on rejuvenating this existing commercial-industrial area, rather than converting it. It seems that enough jobs could be generated to meet the employment needs of a larger number and a wider range of Chelsea residents than had previously worked there. The long-sought revitalization of the Chelsea waterfront and the jobs offered by allied trucking and storage businesses would have a

beneficial effect on the economic health of the community. For this reason, reactivation of the piers and development of the western area of Chelsea for optimum employment levels should be priority items for the Economic Development Administration. Another possibility is the development of a Chelsea container shipping operation, which the Otis Elevator Company has reportedly indicated would be feasible. Therefore, although immediate housing efforts should be concentrated in the eastern section, both because of the greater desirability of that area and fear of inhibiting potential employers, the development of the western section should, at least, be kept in mind.

3. Meat Market

Businessmen in the Gansevoort meat market around 14th Street are resisting attempts to have their operations transferred to the Hunts Point Market in the Bronx. If they are forced to move, some land now occupied by meat dealers and allied concerns will be vacated. Furthermore, the Penn Central Railroad has indicated a willingness to have the railroad spur removed in the event that the meat market is closed. Spokesmen for the line have said that the spur now exists solely for the benefit of the meat market.

4. Port Authority

Once the World Trade Center is completed, sometime around 1972, the Port Authority is expected to vacate its building at 15th and 16th Streets between Eighth and Ninth Avenues. Meanwhile, the Railway Express Agency has announced that in about a year's time, it will be moving from its location in the Port Authority building and relocating to its 34th Street terminal. Railway Express now utilizes most of the building's truck bays as well as below-street truck parking spaces. As of this time, Railway Express is not contemplating any move from the truck parking lot it has been using at 17th and 18th Streets between Tenth and Eleventh Avenues.

VI. CONCLUSION

The key to resolving Chelsea's housing problems lies not in heaping condemnations on those who allowed a crisis to develop, but rather in determining who has the responsibility and power to remedy the problems and insure that they will not reoccur. The city, however, can and must be cited for apparently neglecting a situation that took years to evolve to the point at which it is today. Because municipal authorities did, to a great extent, retire and permit real estate developers to determine Chelsea's future, the city must now "make up for lost time," so to speak, by engaging in a concentrated effort to re-direct the area's housing trends.

A decade ago, Chelsea was an economically, ethnically and racially mixed community that was a little poorer than some other areas of Manhattan. Its two outstanding population characteristics were a very high share of Puerto Rican residents, usually families, and a large number of single, middle-aged and elderly persons. Both of these predominantly low-income groups occupied a large number of small apartments that had been carved out of deteriorating brownstones and other small residential buildings.

With the active encouragement of the Hudson Guild, Chelsea Conservation Program and the tacit approval of the former Housing and Redevelopment Board, middle class families and, then, real estate developers began to buy up these structures and renovate them. Other developers bought similar buildings and demolished them in order to construct new luxury apartment buildings. In both of these instances, the Department of Buildings issued building permits and certificates of occupancy despite the fact that most of the original tenants had been illegally forced to vacate these buildings without receiving any or adequate financial compensation or having a decent apartment to which they could move. In all, some 3,500 low and moderate income families and individuals have lost their homes since 1960.

The losses in terms of individual residents cannot be recouped, but steps can be taken to enforce existing laws and to enact whatever new legislation is necessary to avoid further harassment and generally to preserve and improve the remaining low-cost accommodations in Chelsea. Even more important, perhaps, is the construction of new housing to insure that low and moderate income tenants will be able to continue living in Chelsea. If the city acts swiftly

and efficiently, trends that point to the inevitable evolution of an affluent, predominantly white enclave in Chelsea can still be halted and a diverse community can be maintained.